REMARKS

This response is intended as a full and complete response to the final Office Action mailed January 28, 2008   In the Office Action, the Examiner notes that claims 1-19 are pending and rejected. The Applicants herein amend claim 1. Support for the amendment may be found in the Applicants' specification on at least page 16, lines 4-33.

In view of the following discussion, Applicants submit that all of the claims now pending are in allowable form.

It is to be understood that Applicants do not acquiesce to the Examiner's characterizations of the art of record or to Applicants' subject matter recited in the pending claims. Further, Applicants are not acquiescing to the Examiner's statements as to the applicability of the art of record to the pending claims by filing the instant response.

35 U.S.C. §103(a) Rejection of Claims 1-19

The Examiner has rejected Claims 1-19 under 35 U.S.C. §103(a) as being unpatentable over Knudson et al. U.S. Patent No. 6,016,141, hereinafter "Knudson" in view of Hendricks et al. U.S. Patent No. 6,201,536, hereinafter "Hendricks." The rejection is respectfully traversed.

Independent claim 1 recites:

1.   In an interactive information distribution system containing service provider equipment and subscriber equipment that is interconnected by a communications network, a method of providing a subscription-on-demand service, comprising:
    providing a set of more than two on-demand programs;
    packaging the set into a subset having at least two on-demand programs of the set of on-demand programs;
    providing a user interface having the subset as a selectable object, the user interface configured to allow selection of the selectable object representing the subset of the at least two on-demand programs to be purchased as a package for on-demand access;
    receiving a selection of one of the subset of the at least two on-demand programs; and

> immediately providing said selection if a price of said selection is zero or providing an option to purchase the selection a la carte if said price of said selection is non-zero. (Emphasis added.)

The Applicants respectfully submit that the combination of Knudson and Hendricks, alone or in any permissible combination, fails to teach or suggest at least the providing a set of more than two on-demand programs, packaging the set into a subset having at least two on-demand programs of the set of on-demand programs, providing a user interface having the subset as a selectable object, the user interface configured to allow selection of the selectable object representing the subset of the at least two on-demand programs to be purchased as a package for on-demand access and immediately providing said selection if a price of said selection is zero or providing an option to purchase the selection a la carte if said price of said selection is non-zero, as recited in independent claim 1.

Knudson discloses an interactive television program guide system with pay program package promotion. Knudson teaches one embodiment of providing a package of premium channels. (See Knudson, col. 5, ll. 52-60.) In an alternative embodiment, Knudson teaches providing a package of pay-per-view programming such as the Olympics. (See Knudson, col. 6, ll. 4-13.)

Notably, none of the programming packages offered by Knudson include on-demand programs, as taught by Applicants invention. In fact, Knudson teaches that the programs are displayed in a grid of time slots and the method taught by Knudson is activated when a viewer chooses a program from the time slot. (See Knudson, col. 4, ll. 22-37, 58-65; FIG. 2.) Those skilled in the art recognize that on-demand programming is not restrained to assigned time slots. Rather, on-demand programming is available to a viewer at any time upon request. Therefore, Knudson clearly does not teach or suggest providing a set of more than two on-demand programs, packaging the set into a subset having at least two on-demand programs of the set of on-demand programs and providing a user interface having the subset as a selectable object, the user interface configured to allow selection of the selectable object representing the subset of the at least two on-demand programs to be purchased as a package for on-demand access, as recited in independent claim 1.

Moreover, Hendricks fails to bridge the substantial gap between Knudson and Applicants' invention of at least claim 1. The Applicants' note the Examiner's appears to be blurring the embodiments taught by Hendricks. The sections of Hendricks cited by the Examiner teach program packaging or the transmission of a <u>single</u> video on demand program. Although Hendricks does teach video on demand, Hendricks fails to teach or suggest that the video on demand programs may be packaged into a subset that may be purchased as a single package. Therefore, even if Knudson and Hendricks were permissibly combined, the combination of Knudson and Hendricks fails to teach the novel concept of providing a set of more than <u>two on-demand programs</u>, packaging the set into a subset having at least <u>two on-demand programs of the set of on-demand programs</u>, providing a user interface having the subset as a selectable object, the user interface configured to allow selection of the selectable object representing <u>the subset of the at least two on-demand programs to be purchased as a package for on-demand access</u>, as recited in independent claim 1.

Moreover, the combination of Knudson and Hendricks fails to teach or suggest <u>immediately providing said selection if a price of said selection is zero or providing an option to purchase the selection a la carte if said price of said selection is non-zero</u>. Hendricks is silent as to this feature. Knudson <u>teaches away</u> from the Applicants' invention because Knudson specifically teaches that when a user makes a selection, if the selected program is available as a package or individually a message is displayed asking if the user want to purchase the package or the individual selection. (See Knudson, col. 7, II. 31-48; FIG. 6). In stark contrast, the Applicants' invention teaches that if a price of a selection is zero (i.e. indicating that the selection is part of the purchased package of on-demand programs) then the selection is <u>immediately provided</u>.

Furthermore, the combination of Knudson and Hendricks cannot be meaningfully combined because Hendricks teaches away from Knudson. As discussed above, Knudson teaches packaging premium channels having programming delivered at fixed time slots. (See Knudson, col. 4, II. 22-37, 58-65; FIG. 2.) In contrast, Hendricks discloses a method and system for delivering a single video on demand program. Applicants respectfully submit that at the time of Hendricks' invention, video on demand

typically comprised paying for a single program in an a la carte fashion, wherein the program could be requested at any time. As a result, using the delivery method of video on demand programming taught by Hendricks to modify Knudson would be contrary to the teachings of Knudson because Knudson teaches packaging premium channels having programming in fixed time slots together.

As such, independent claim 1 is patentable under 35 U.S.C. §103 over Knudson and Hendricks. Claims 2-19 depend, either directly or indirectly, from independent claim 1 and recite additional limitations thereof. As such, and at least for the same reasons as discussed above, these dependent claims also are patentable over Knudson and Hendricks under 35 U.S.C. §103. Therefore, the Examiner is respectfully requested to withdraw the rejection.

<div align="center">CONCLUSION</div>

In view of the foregoing, Applicants believe that this application is in condition for allowance. Entry of this response, reconsideration of this application, and allowance are respectfully solicited.

If, however, the Examiner believes that there are any unresolved issues requiring adverse final action in any of the claims now pending in the application, it is requested that the Examiner telephone Eamon J. Wall, Esq. or Jimmy Kim at (732) 530-9404 so that appropriate arrangements can be made for resolving such issues as expeditiously as possible.

Respectfully submitted,

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